M/045/0078
cc: Leslie

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
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TAKE PRIDE IN AMERICA

IN REPLY REFER TO:
3809 U-87834 (UTW011)

DEC 0 3 2010

Mr. Rick Havenstrite
Desert Hawk Gold Corporation
1290 Holcomb Ave
Reno, NV 89502

Dear Mr. Havenstrite:

On February 8, 2010, the Bureau of Land Management (BLM) Salt Lake Field Office received the first draft of your Plan of Operations (Plan) for the Kiewit Mine Project serialized UTU-87834 (UDOGM permit M/045/0078). The BLM requested additional information from you on August 25, 2010, to be able to consider your Plan complete. On October 6, 2010, we received the second draft of your Plan and an accompanying letter containing a portion of the information requested.

Consistent with the surface management regulations at 43 CFR 3809.411(a), the BLM has reviewed the Plan to determine if it meets the content requirements at 43 CFR 3809.401(b). Based on our review, the following additional information is required in order for the Plan to be complete:

1) Your October 6, 2010 letter states that water "will be provided from a well located adjacent to the Process Facility Area". Please state in your Plan whether this well is located on private or public land and indicate the location on the appropriate maps. Also, clearly indicate the location of your proposed monitoring wells. For example, Figure 5 of your groundwater discharge permit application shows a different location than Figure 14 of your Plan.

2) Please state in your Plan whether anyone will be residing at the site on public land (i.e. a watchman, security guard, maintenance personnel).

3) Figure 7 of your Plan indicates a temporary ore stockpile area. Please provide additional information about this and any other proposed stockpiles on public land (size, volume, location, duration, lining, etc.).

4) In order to provide adequate baseline data for proper characterization and handling of mined and processed rock to limit its potential to generate acid or liberate other constituents, including metals, into the environment, the BLM requires the following Rock Characterization analysis and testing information:

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I. Materials Characterization

1. Waste rock
2. Ore
3. Pit wall and floor rock
4. Pit backfill rock (dry/wet scenarios)

II. Statistical Approach to Characterization

A minimum of four representative samples per rock type for each category listed above (waste, ore, pit wall and floor, backfill). A BLM geologist should be present during sample collection - a minimum forty-eight hour advance notification is required. Your sampling program must ensure a statistically adequate sample population. You must also provide a description of sampling procedures including how the samples were selected, collection methods, sample locations, and quantity of material.

III. Characterization Procedures

1. Sample selection
2. Identify by rock type/final disposition (waste rock, ore, pit wall, pit floor, backfill, etc)
3. Record locations (three dimensional)
4. Mineralogical analyses
    a. XRD - X-Ray Diffraction
    b. XRF - X-Ray Fluorescence (could include use of portable field units)
    c. Petrology
    d. Petrography (incident light, transmitted light)
    e. SEM/EDX/NIR/MLA
5. Static testing - (required for waste rock, ore)
    a. ABA – Acid/Base Accounting
    b. Net acid/alkaline production (AP, NP, NNP)
    c. MWMP - Meteoric Water Mobility Procedure (ASTM E-2242-02) – includes analysis and report on any metal mobility, attenuation and accumulation potential
    d. NCV – Net Carbonate Value
6. Kinetic testing (waste rock and ore - contingent upon static test results)
    a. Humidity cell/column leach test (ASTM D5744-07)
        Although a test duration as short as 20 weeks may be suitable for some samples, more recent research indicates that test durations well beyond 20 weeks may be required depending on the objectives of the test and the test results. Identified test protocols contain specific criteria to determine when tests may end. **BLM must be consulted prior to terminating the tests. Regardless of the data, 20 weeks is the absolute minimum test period.**
    b. BAPP test- Biological Acid Producing Potential

IV. Waste Rock Management Plan

1. Work plan history with geochemical and geotechnical summaries.
2. Operating/post reclamation management of the waste rock dumps (WRDs)
3. Describe mining sequence of rock types/volumes/final disposition (see section III.2 above).
4. Describe how potentially acid generating (PAG) rock will be selectively mined, segregated and managed to preclude exposure to air and water. Need to address metals mobility/accumulation for both PAG and non-PAG materials (see section III.5.c.).
5. For each benign and PAG WRD facility, include a text description for: toe elevation, crest elevation, ultimate height, reclaimed slope, plan dimensions, tonnage capacity and acres. Provide a summary table for volumes by facility for life-of-mine (LOM).
6. Supplement the text with plan and cross sectional drawings showing: plan views and related alluvial/cover stockpile locations, cross sectional views showing operational and post reclamation slopes, grades; toe and crest elevations, existing ground slope and cap thicknesses for LOM.
7. For pit backfill scenarios, include the same text and supporting drawings previously described, describe any amendment requirements. Provide information on the total volume to be backfilled with rock type and its origin, final backfill elevation and rebound ground water elevation.
8. Ore stockpiles and topsoil stockpiles should include the same text and supporting drawings previously described.

5) Please provide a Water Resource Report, characterizing the water resources of the site, prepared by or under the direction of a professional engineer or other ground water professional. The report should include all of the information required by the Utah Division of Water Quality (DWQ) for their Ground Water Discharge Permit application (Part C.8 - Hydrologic Report). It should also contain the specific elements outlined below:

I. Geology/Hydrogeology

1. Geology –include maps, cross sections with grids, scales. Structure should include faults, fractures, and joints. Stratigraphy should include geologic formations and thicknesses, soil types and thicknesses, depth to bedrock.
    a. Regional geology
    b. Local geology
2. Hydrogeology
    a. Areal regional aquifer and ground water conditions (maps, cross sections)
    b. Site specific ground water conditions
    a. Vadose zone
    b. Perched water table
    c. Unconfined water table
    d. Confined water table

II. Springs/Streams and Well Inventories
    1. Location (including UTM coordinates)
    2. Flow/Production
        a. Perennial springs and streams (include historical flows)
        b. Intermittent springs and streams (include historical flows)
        c. Well production (include average/peak or other baseline data)
    3. Quality (chemistry)
    4. Temperature
    5. Well drilling log or geologic log
    6. Water rights
    7. Jurisdictional waters
    8. Habitat types, areal distributions and number of acres (include maps)

III. Hydrologic System
    1. Meteorology (use on-site meteorological station data)
        a. Ambient Temperature (min/max), Relative Humidity, Wind Speed (max gust/hr) & Wind Direction, Total Precipitation, Solar Radiation; at a minimum with a data logger.
    2. Recharge
        a. Type
        b. Distribution
    3. Discharge
        a. Type
        b. Distribution
    4. Potentiometric surface or water table
    5. Groundwater flow
        a. Gradient and flow direction
        b. Velocity
    6. Hydraulic boundary conditions/hydrologic divides
        a. Type
        b. Distribution

IV. Hydrologic Budget (summary of Section III.)

V. Conceptual Groundwater Model
    1. Ground and surface water systems (based on site specific field data)
    2. Project hydrogeologic setting (relative to regional hydrology)

6) In order to show that the proposed uses and activities will prevent or avoid unnecessary or undue degradation, you must show that they will conform to all applicable federal and state environmental standards by obtaining all required permits and authorizations and meeting the standards required by state and federal law.

In accordance with §3809.412, you are not authorized to engage in any of the activities described in your Plan until this office determines that it is complete, the appropriate level of environmental review under NEPA is completed, you provide the financial guarantee required under §3809.552, the financial guarantee is accepted and successfully adjudicated, and BLM notifies you that you may begin operations.

Please submit the requested information within 60 days of receipt of this letter. If we do not receive the requested information from you in the allotted time, we will consider your Plan to be withdrawn.

If you have any questions, or require additional information, please contact Stephen Allen of my staff at (801) 977-4360.

Sincerely,

Michael G. Nelson
Assistant Field Manager,
Nonrenewable Resources

cc: Mr. O. Jay Gatten, North American Exploration, Inc. 447 North 300 West, Suite #3 Kaysville, Utah 84037-4203

UDOGM, Leslie Heppler, 1594 West No.Temple, Ste. 1210# Box 145801, SLC, UT 84114-5801